



Billing Code 3410-DM-P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

[Docket No. FSIS-2012-0015]

Retail Exemptions Adjusted Dollar Limitations

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Notice.

SUMMARY: The Food Safety and Inspection Service (FSIS) is announcing the dollar limitations on the amount of meat and meat food products and poultry and poultry products that a retail store can sell to hotels, restaurants, and similar institutions without disqualifying itself for exemption from Federal inspection requirements. In accordance with FSIS' regulations, for calendar year 2012, the dollar limitation for meat and meat food products is being increased from \$61,900 to \$67,300 and for poultry products from \$50,200 to \$51,700. FSIS is changing the dollar limitations from calendar year 2011 based on price changes for these products evidenced by the Consumer Price Index.

EFFECTIVE DATE: This notice is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION: Contact John O'Connell, Policy Issuances Division, Office of Policy and Program

Development, FSIS, U.S. Department of Agriculture, Room 6083 South Building, 1400 Independence Avenue, SW., Washington, DC 20250-3700; telephone (202) 720-0345.

SUPPLEMENTARY INFORMATION:

Background

The Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (21 U.S.C. 451 et seq.) provide a comprehensive statutory framework to ensure that meat, meat food products, poultry, and poultry products prepared for commerce are wholesome, not adulterated, and properly labeled and packaged. The statutes include an exception from the provisions requiring inspection of the preparation or processing of meat, meat food, poultry, and poultry products when the preparation or processing produces products in normal retail quantities, and the operations are of the type that are traditionally and usually conducted at retail stores and restaurants (21 U.S.C. 661(c)(2) and 454(c)(2)). FSIS's regulations (9 CFR 303.1(d) and 381.10(d)) elaborate on the conditions where these exemptions apply to retail operations involving the preparation or processing of meat, meat food, poultry, and poultry products.

Sales to Hotels, Restaurants, and Similar Institutions

Under these regulations, sales to hotels, restaurants, and similar institutions (other than household consumers) disqualify a store for the exemption if the product sales exceed either of two maximum limits: 25 percent of the dollar value of total product sales or the calendar year dollar limitation set by the Administrator. The dollar limitation is adjusted automatically during the first quarter of the calendar year if the Consumer Price Index (CPI), published by the Bureau of Labor Statistics, shows an increase or decrease of more than \$500 in the price of the same volume of product for the previous year. FSIS publishes a notice of the adjusted dollar limitations in the Federal Register. (See 9 CFR 303.1(d)(2)(iii)(b) and 381.10(d)(2)(iii)(b).)

The CPI for 2011 reveals an annual average price increase for meat and meat food products at 8.8 percent and for poultry products at 2.9 percent. When rounded to the nearest \$100, the dollar limitation for meat and meat food products increased by \$5,400, and the dollar limitation for poultry products increased by \$1,500. Because the dollar limitation of meat, meat food products, poultry, and poultry products increased by more than \$500, FSIS is increasing the dollar limitation on sales to hotels,

restaurants, and similar institutions to \$67,300 for meat and meat food products and to \$51,700 for poultry and poultry products for calendar year 2012, in accordance with 9 CFR 303.1(d)(2)(iii)(b) and 381.10 (d)(2)(iii)(b).

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#### Additional Public Notification

FSIS will announce this notice online through the FSIS

Web page located at

[http://www.fsis.usda.gov/regulations\\_and\\_policies/Federal Register Notices/index.asp](http://www.fsis.usda.gov/regulations_and_policies/Federal_Register_Notices/index.asp).

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Done at Washington, DC, on: April 18, 2012

Alfred V. Almanza,

Administrator.

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